DAVIDOFF EXTENSION S.A. v. DAVIDOFF COMMERCIO E. INDUSTRIA LTDA

[O.C.J. (Chua J.) October 14, 1987]

[Singapore – Originating Motion No. 2 of 1983]

Trademark – Use of another company's trademark – Expunging the entry of the trademark – Application for – Trademark acquiring sufficient reputation – Use of trademark deceiving the public – Court's discretion to grant application – Trade Marks Act (Cap. 206, 1970 Ed.), s.39.

Davidoff Extension S.A., the applicant, was one company in a group of companies which market certain cigars under the trademark "Davidoff". The Davidoff Group of Companies have registered their trademark "Davidoff" in many parts of the world.

The respondent company, Davidoff Commercio E. Industria Ltda, was incorporated in Brazil. After its incorporation, the respondents registered the trademark "Davidoff" under their name in various parts of the world.

The respondents applied for the registration of the trademark "Davidoff" in Singapore on September 12, 1978. The application was approved and registered on October 10, 1980. The registration number was 77412.

In April 1979, the Davidoff Group applied for the registration of the trademark "Davidoff" in Singapore under the name of their agent Bluebell (HK) Ltd. The application was held in abeyance in view of the earlier application of the respondents.

In the present suit, the applicant sought to rectify the Register of Trade Marks by expunging therefrom the whole entry relating to the trademark no. 77412 "Davidoff" registered in the name of the respondents.

Held, allowing the application: (1) it was clear that the applicant was a "person aggrieved" under section 39;

(2) the existence of the respondents' registered trademark on the Register would limit and restrict the legal rights of the applicant in their sale of "Davidoff" goods, including cigars, by excluding the applicant from the tobacco trade in Singapore;

(3) it was clear from the evidence that the trademark "Davidoff" has long been associated with the Davidoff Group as owners;

(4) the applicant's trademark had acquired a sufficient reputation in this country at the date of the application by the respondents for the registration of their mark as to merit protection. The respondents were not entitled to registration at the time of their application;

(5) members of the public had been deceived into thinking that the respondents' cigars were manufactured by the applicant;

(6) it was clear that having regard to the use of the applicant's earlier mark, the mark of the respondents had actually deceived or caused confusion to the public;

(7) from the authorities it is clear that the court always has a discretion under section 39 to rectify or not in the light of all the circumstances of the case;

(8) the court was of the view that, in all the circumstances of the case, the court should exercise its discretion to expunge the respondents' registered trademark from the Register.

Cases referred to:

(1) *William Powell* v. *The Birmingham Vinegar Brewery Co. Ltd.* [1894] A.C. 8.

(2) *In re Apollinaris Company's Trade Marks* [1891] 2 Ch. 186.

(3) *Zonophone T.M.* [1903] 20 R.P.C. 450.

(4) *Pelican T.M.* [1974] R.P.C. 692.

ORIGINATING MOTION.

Aloysius Leng for the applicants.
Tan Tee Jim for the respondents.

Cur. Adv. Vult.

Chua J.: By this originating motion, the applicants, Davidoff Extension S.A., seek an order that the Register of Trade Marks be rectified by expunging thereform the whole entry relating to the trade mark no. 77412 "Davidoff" registered in the name of the respondents, Davidoff Commercio E Industria Ltda.

At the end of the hearing, I made an order in terms of the motion and ordered the respondents to pay costs. I now give my reasons.

The grounds of the application are that:

(1) the applicants, being the proprietors of the mark Davidoff, are aggrieved by the respondents obtaining registration of trade mark no. 77412 in contravention of section 11 and section 15(1) of the Trade Marks Act (Cap 206); and

(2) the applicants are aggrieved by the trade mark no. 77412 wrongly remaining on the Register in contravention of section 15(1) of the Trade Marks Act (Cap. 206).

The contentions of the applicants are that the respondents are not the proper proprietors of the trade mark "Davidoff" and their use of the trade mark is not *bona fide* and that there would be not only likelihood of deception but in fact there is actual deception.

The following facts are not in dispute.

The trade mark "Davidoff" is derived from the name of Mr. Zino Davidoff who owned a tobacco shop in Geneva which he inherited from his father who established it in 1912.

In May 1940 Mr. Zino Davidoff established a company, Davidoff et Cie, and this tobacco shop existed under that name under Zino Davidoff's management, stocking a line of full size cigars called "Davidoff" made from Cuban tobacco.

In 1969 Mr. Zino Davidoff sold a majority interest in Davidoff et Cie to Oettinger Imex AG of Basle, one of the leading tobacco wholesale and retail traders in Switzerland.

In 1973 the applicants, Davodoff Extensio S.A., were established. In 1980 Zino Davidoff S.A. were established.

Davidoff et Ciet, Davidoff Extensio S.A. and Zino Davidoff S.A. (the Davidoff Group) had common shareholders. Oettinger Imex AG are the majority shareholders in the Davidoff Group and have a distribution agreement with the Davidoff Group to market Davidoff cigars and smoking accessories world-wide.

Davidoff cigars, a high class quality cigars, and smoking accessories, are produced by the Davidoff Group and these cigars are manufactured in Cuba out of Havana tobacco under the directions of Mr. Zino Davidoff by the state-owned enterprise Cubatobacco since 1969 and known internationally as Davidoff No. 1, 2 & 3. The Davidoff Group has a close collaboration with Cubatobacco.

Mr. Zino Davidoff is still involved in the Davidoff Group. He is a minority shareholder in all the three companies and sits on the board of the three companies. He is involved in the sale of Davidoff cigars and smoking accessories and helped in the promotion of Davidoff cigars internationally.

The Davidoff chain of exclusive shops was opened all over the world, including Singapore, stocking and selling and dealing in top quality cigars, including the Davidoff cigars and smoking accessories.

The first registration of the trade mark "Davidoff" by the Davidoff Group was made in Switzerland in December 1969.

The Davidoff Group and Cubatobacco have registered the trade mark "Davidoff" in many countries all over the world and there are many pending applications all over the world.

The respondents applied for the registration of the trade mark "Davidoff" in Singapore on September 12, 1978, and the application was approved and registered on October 10, 1980 – registration no. 77412.

The respondent company was incorporated in Brazil in 1978. After its incorporation the respondents registered the trade mark "Davidoff" under their name in various parts of the world.

In April 1979 the Davidoff Group applied for the registration of the trade mark "Davidoff" in Singapore under the name of their agent Bluebell (HK) Ltd. The application was held in abeyance in view of the earlier application of the respondents.

The point taken by the respondents is that the applicants are not the proprietors of the mark. It is submitted that under section 11(1) of the Trade Marks Act (Cap. 206), two conditions must be satisfied:

(a) the applicants must be the proprietors of the mark which is used or has been used by them in Singapore at the time of application to the Registrar;

(b) the mark must be proposed to be used by the applicants at the time of the application.

It is submitted that the applicants were not the persons intended to be the user of the mark in Singapore. According to the agent Bluebell (HK) Pte Ltd, the Singapore agent purchased Davidoff cigars from and made payments to Oettinger Imex AG. So the principals are Oettinger Imex AG and not the applicants. The publicity concerning Davidoff cigars was to be paid for by Bluebell. In fact, all the advertisements and magazine articles did not make any reference to the applicants. It was Bluebell itself which applied for the trade mark "Davidoff" to be registered in Singapore in April 1979. It is submitted that the applicants are not the proprietors of the mark.

It is submitted that when the applicants made their application in April 1979, the mark had not been used or was in use in Singapore at the time of the application to the Registrar.

The respondents submit that the application is misconceived and should be dismissed.

The application here is for the rectification of the Register of Trade Marks and under section 39 of the Trade Marks Act, "any person aggrieved ...

by any entry made in the register without sufficient cause, or by any entry wrongfully remaining in the register" may make an application that the Register be rectified by expunging or varying the entry.

It is clear that the applicants are a "person aggrieved" under section 39. In *William Powell* v. *The Birmingham Vinegar Brewery Co. Ltd.*,[1] it was held that where the applicant is in the same trade as the person who has registered the trade mark, and where the existence of the entry upon the register would or might limit the legal rights of the applicant so that he could not lawfully do that which he could otherwise have lawfully done, he has a *locus standi* to be heard as a "person aggrieved".

It is not disputed that the applicants are in the same trade as the respondents, namely, the manufacture and sale of tobacco and tobacco products especially cigars and that they desire to deal in the goods covered by the respondents' registration.

The existence of the respondents' registered trade mark on the Register would limit and restrict the legal rights of the applicants in their sale of "Davidoff" goods, including cigars, by excluding the applicants from the tobacco trade in Singapore. The applicants are restricted from lawfully doing which they could lawfully do but for the respondents' wrongful entry on the Register. (See *In re Apollinaris Company's Trade Marks*[2]; *Powell's T.M.*[1])

The applicants, through the Davidoff Group, are the owners of the trade mark and have used the trade mark "Davidoff" by way of sale in September 1979 in Singapore, before the respondents' first actual user in September 1982, when the first Davidoff shop was opened in Singapore at the Singapore Hilton Hotel. There had been advertising and promotions of the shop in magazines circulating in Singapore. A person who has before registration used the registered trade mark is a person aggrieved (*Zonophone T.M.*[3]).

It is clear from the evidence that the trade mark "Davidoff" has long been associated with the Davidoff Group as owners. The trade mark "Davidoff" originated with Mr. Zino Davidoff who is still involved with the Davidoff Group. The trade mark "Davidoff" was first registered in Switzerland by Davidoff et Cie in Switzerland in December 1969. Prior to 1979, consumers in Singapore ordered Davidoff cigars from the applicants' office in Basle.

The name Davidoff gained an extensive reputation and this reputation is still upheld even today. The respondents, a company which came into being in 1978 long after the establishment of the Davidoff Group, must have been aware of this fact since they are in the same trade. The respondents' trade mark is identical to that of the Davidoff Group's. These facts clearly indicate that the respondents did not independently devise the trade mark but in fact copied it or stolen it and cannot claim to be the proprietors thereof.

The respondents were well aware of the prior claim to the proprietorship of the trade mark "Davidoff" by the applicants. The respondents have not sufficiently explained their choice of the "Davidoff" trade mark. The applicants' trade mark had acquired a sufficient reputation in this country, at the date of the application by the respondents for the registration of their mark, as to merit protection. The respondents were not entitled to registration at the time of their application (see *Pelican T.M.*[4]).

Members of the public had been deceived into thinking that the respondents' cigars were manufactured by the applicants. Letters of complaint had been received by the Davidoff Group after customers had purchased the respondents' cigars thinking that they were the applicants' cigars.

There is great similarity, if not exactness, in the applicants' and the respondents' cigars as to the boxes, labels and warranties and the size of cigars. The respondents even went to the extent of fixing a label on their boxes guiding the consumer to the Davidoff stores if there was any complaint with the result that the applicants received complaints.

The respondents have also followed the applicants' range of Chateau Marguax cigars which only the applicants have the authority to link it to the Davidoff name. A customer who purchased the respondents' box of Chateau Marguax cigars had returned it to the applicants with a complaint.

The respondents have also duplicated the applicants' Mini Cigarillos. A customer who had purchased the respondents' Mini Cigarillos at the Changi Airport had returned the box to the applicants with a complaint.

It is clear that having regard to the use of the applicants' earlier mark, the mark of the respondents had actually deceived or caused confusion to

the public. Under section 15(1) of the Trade Marks Act, it is provided:

"It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."

It is clear from the authorities that the court always has a discretion under section 39 to rectify or not in the light of all the circumstances of the case. The merits or demerits of the applicants are of little relevance, at least where a likelihood of confusion is established, as the question is not between the applicants on the one hand and the respondents on the other, but between the public and the respondent (see *Kerly's Law of Trade Marks & Trade Names,* 11th Ed., paragraph 11-29 p.175).

The registration of the trade mark had been attempted and made by the Davidoff Group under the names of various companies, Cubatobacco and Bluebell. This did not create confusion as the trade mark belongs to the Davidoff Group as a whole. If the court is to refuse the applicants' application to rectify the Register, this would result in the applicants' inability to use their genuine "Davidoff" trade mark devised by it and which it has attached to its goods from the very commencement of their operations.

I was of the view that, in all the circumstances of the case, the court should exercise its discretion to expunge the respondents' registered trade mark from the Register.

For these reasons I granted the application of the applicants.

Order accordingly.

Solicitors: *Abraham, Low & Partners; Donaldson & Burkinshaw.*

YAP YIN KOK v. PUBLIC PROSECUTOR (WONG EE TAY as surety)

[A.Cr.J. (Chan Sek Keong J.C.) September 7, 1987]

[Singapore – Show Cause No. 4 of 1987]

Criminal Procedure – Surety bond – Show cause – Appellant and surety failing to appear at date of hearing of appeal – Surety to show cause on bond – Extent of surety's obligation under surety bond – Application of ordinary principles of construction.

In this case Wong Ee Tay signed a bond as surety for the appearance of the appellant, Yap Kin Kok, in the High Court for the prosecution of his appeal against sentence of imprisonment.

By a notice dated March 4, 1987 from the Supreme Court Registry, the appellant and the surety were duly informed that the date of hearing of the appeal had been fixed for April 6, 1987.

On April 6, 1987, both the appellant and the surety failed to appear. The court then ordered that a warrant of arrest be issued against the appellant and also directed that the surety be asked to show cause on his bond.

On April 28, 1987, a notice was issued by the Assistant Registrar addressed to the surety requiring him to pay the sum of $5,000 for defaulting under his bond or to appear before the High Court on June 29, 1987 to show cause why payment of the said sum should not be enforced against him.

On June 29, 1987, the surety's son attended the hearing to show cause. He submitted a letter stating that his father was in the United States and would be returning at the end of July 1987. He requested for an adjournment so that his father could appear personally.

The surety appeared to show cause. He stated that on January 28, 1987, he was outside the court room when the hearing of the appeal was adjourned. After the adjournment, he asked the appellant when the next hearing date was and the appellant replied that he did not know as he had not been given a date yet. The surety left for New York on February 19, 1987 and returned to Singapore on August 25, 1987.

The issue before the court in this case concerned the extent of the obligation of a surety under a surety bond.

Held: (1) the extent of the surety's obligation under the bond is determined by the terms of the bond. A surety bond is no different from a guarantee given in a civil contract. Any breach of the conditions of the bond gives rise to a forfeiture and the amount forfeited is in the nature of a civil debt;

(2) ordinary principles of construction apply in the interpretation of the terms of the bond to determine the extent of the surety's obligation thereunder;

(3) the conditions of the bond imposed on the surety an obligation to produce the appellant at every stage of the hearing of the appeal, including any adjournments thereof from time to time, for whatever reason until its final disposal;